

Maurice Hinchey NEWS

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HINCHEY CONDEMNS REPUBLICAN TAX BILL

WASHINGTON - U.S. Representative Maurice Hinchey (NY-22) denounced the tax cut bill passed by the House early this morning as a charade meant to benefit the wealthy under the guise of creating jobs. Hinchey also expressed dismay over the House's removal of a provision that would have provided much needed financial assistance to area hospitals.

"It's astounding that President Bush and the Republican leadership in Congress are getting away with this dishonest move," said Hinchey. "They realized they couldn't get passage of the president's original \$726 billion proposal, so they throw in a few accounting tricks and call it a \$350 billion package. Anyone who believes that's the true cost of this bill is kidding themselves."

The legislation Congress is sending to the White House includes 10 tax cuts. Nine of them are set to expire by 2013; most expire after just two years. The Republican leadership has made it clear that they have no intention of letting the cuts expire. When these "sunset" provisions are lifted, the true cost of the package balloons to between \$675 billion and \$810 billion.

These tax cuts will overwhelmingly benefit the wealthiest Americans. According to the Urban Institute-Brookings Tax Policy Center, taxpayers who make more than \$1 million a year will receive an average tax cut of \$93,500 this year, while middle-income households will average a cut of only \$217.

"As usual, the president and his allies are making a gift to their wealthy friends and telling the country that's the way to create jobs and stimulate the economy," Hinchey added. "The real way to stimulate the economy is to put money in the hands of the people who will spend it, the middle class. Instead we're letting the deficit grow larger and larger."

The Senate's version of the tax bill included a modest package of Medicare payment reforms for rural hospitals and a temporary increase in the Medicaid payment rate. These measures would have been worth \$27.9 million to hospitals in the 22nd Congressional District over five years. However, negotiators stripped those provisions from the final version that will become law.

"Our hospitals badly need the assistance that the Senate version provided," Hinchey said. "That was going to be the one bright spot in an otherwise disastrous bill. I am gravely disappointed that it was not included."